

PROGRAM-SPECIFIC REQUIREMENTS: CDBG & HOME

CDBG: SPECIFIC SUBMISSION REQUIREMENTS

Sources of Funds

See Listing of Proposed Projects for information on program income and revolving loan funds.

Float-funded Activities

Not Applicable

Locations

See Listing of Proposed Projects for information and Geographic Distribution Section of the Plan.

Contingency

See Listing of Proposed Projects for information on the contingency costs.

Urgent Needs

Not Applicable

HOME: SPECIFIC SUBMISSION REQUIREMENTS

Guidelines for Resale

The City of Cambridge has had considerable experience designing, administering, and enforcing limited equity agreements, i.e. resale agreements. It has been our experience over time that, depending on market conditions, unit locations, the base price of units, and the type of ownership, different forms of restrictions may be appropriate. Cambridge will work to continue to refine equity agreements to ensure that units remain affordable for the longest possible time.

For HOME-funded first time homeownership projects, the City of Cambridge will enforce resale restrictions for, at a minimum, the following terms:

- Existing property 15 years
- New construction 20 years

Longer terms may be required, depending on the depth of the subsidy and whether other funding sources are used. It is a requirement of the HOME program that units remain affordable on turnover to a reasonable range of low-income buyers. The City of Cambridge will ensure that, upon resale, these conditions are met. This will be done through resale restrictions on owners, and additional write-downs of the sales price when required.

Resale restrictions on owners will be structured so that, in general, the owner can receive a maximum resale price upon sale that, after loan repayment, reflects the owner's equity contribution to the property. For condominium units, fee simple units, and units owned but subject to a ground lease, the maximum resale value may include the initial downpayment, debt repaid, the value of the approved capital improvements, and inflation adjustments on either the total unit price or any of the individual factors. Depending on whether other subsidies or low interest loans are used, equity may be reduced or disallowed for any of these factors.

Other Forms of Investment

The City of Cambridge plans to use one or more of the following forms of financial investment:

- Interest bearing loans
- Non-interest bearing loans
- Deferred loans (forgivable or repayable)
- Grants
- Interest subsidies (leveraging approaches, subject to C/MI constraints)
- Equity investments (downpayment assistance, etc.)

While the City does not anticipate using any other forms of investment, it will consider any that HUD approves.

AFFIRMATIVE MARKETING

The City of Cambridge has an Affirmative Marketing Agreement and Statement (see below) that is included in all HOME written agreements. Furthermore, the City requires a written tenant selection policy from owners of rental properties as part of the HOME agreement.

HOME PROGRAM AFFIRMATIVE MARKETING POLICY AND PROCEDURES STATEMENT

In accordance with the regulations of the HOME Program (CFR 92.351), the City of Cambridge has adopted affirmative marketing procedures for housing, containing 5 or more units, that is assisted with HOME Program funds. In furthering the City's commitment to non-discrimination and equal opportunity in housing, it has set up affirmative marketing procedures based on those established by the City under the HUD Rental Rehabilitation Program (24CFR part 511).

1. The City will inform the public, owners, and prospective tenants about the Fair Housing Laws and the Cambridge Affirmative Marketing policy and procedures in the following ways;
 - Include the Fair Housing Laws summary and the Affirmative Marketing Statement (to be signed by the owner) in the HOME Program Written Agreement for each project funded.
 - Place special notices and announcements about Fair Housing Laws and the Affirmative Marketing Policy in the Boston Globe, the Cambridge Chronicle or the Cambridge TAB, the Bay State Banner and El Mundo.
 - Provide potential tenants, through CHDOs and other owners, with copies of the Fair Housing Laws summary and the Affirmative Marketing Policy.
2. The City will require owners in the HOME program to carry out the affirmative marketing procedures and requirements as follows;
 - Sign the Affirmative Marketing Agreement indicating the owner's willingness to comply with this Affirmative Marketing Policy and Procedures Statement and participate in the City's Fair Housing efforts.
 - Notify the City and appropriate agencies when there are vacant units available.

- Use additional methods of announcing rentals such as advertisements in local and minority newspapers, notices to Neighborhood and Minority groups, and the use of the Equal Housing Opportunity logo or slogan.
 - Adopt procedures to inform and solicit applications from individuals not likely to apply for housing without special outreach. These would include outreach to community organizations as well as places of worship, employment centers, fair housing groups and counseling agencies.
 - Keep records describing efforts to affirmatively market vacant units as well as records assessing the results of these efforts.
3. The City will keep records describing the actions taken by the City and HOME participants to affirmatively market units and the assessments of the results of these efforts.
 4. The City will annually assess the performance of project owners in making "good faith efforts" to affirmatively market vacant units. This assessment will be based on records kept by the owner describing their efforts. If the owner fails to meet affirmative marketing requirements, the City will work with the owner to improve their performance. If the owner continues to be out of compliance, the City will consider disqualifying them from further program participation.
 5. The City will perform an annual written assessment of the effectiveness of the Affirmative Marketing Procedures in the HOME Annual Performance Report as required by HUD.

Minority/Women's Business Outreach

The City of Cambridge requires an MBE/WBE report form (see ATTACHMENTS) for each project as part of the HOME agreement. The City will continue to make every effort to encourage the inclusion of minority and women's business enterprises concerning future HOME-funded activities, consistent with 24 CFR 92.350.

The Economic Development Division of the City's Community Development Department publishes the Cambridge Minority Business Directory and the Cambridge Women's Business Directory and updates these publications bi-annually. These publications grew out of the City of Cambridge's efforts to understand and support these important and thriving business sectors of our economy. Firms are solicited from advertisements placed in local newspapers, listings from the Chamber of Commerce, and referrals from throughout the business community. The directory lists firms providing a wide range of products and services. For example, in its pages you can locate a lawyer, a construction firm, an architectural firm, an engineer, and an environmental services firm.

The publication of this directory responds to requests for a directory that will enable minority-owned and women-owned firms to network among and purchase from each other, and also provides a resource for non-minority owned companies wanting to do business with minority firms.

These publications are sent to the firms listed within, purchasing departments of Cambridge's largest firms and institutions, banks and quasi-public financial institutions, public officials, and organizations providing services to minority-owned and women-owned businesses. It is also be available to the public, free of charge.

Match Contribution

In 1994, the City of Cambridge donated land to the Hampshire/Columbia condominium development providing a match of \$384,000. In 1995, the City received approval of matching funds from the Massachusetts Rental Voucher Program, through the Massachusetts Department of Housing and Community Development, of \$1,079,538. In 1998, the City of Cambridge sold a City owned parcel to CASCAP at a below market value of \$540,000 and provided a direct contribution from the Affordable Housing Trust of \$77,250 for the redevelopment of Harvard Place, an affordable 21-unit elderly assisted living facility. In 1999, Cambridge conveyed a vacant parcel of land valued at \$169,300 the Affordable Housing Trust for the new construction of three affordable first-time homebuyer units.

These matching funds are sufficient for HOME funds for FY93-01 and beyond.